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21 January 1983

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM : Henry S. Rowen
Chairman, National Intelligence Council

SUBJECT : Secretary Shultz's Remarks at Thursday's
SIG/IEP Meeting

At yesterday's SIG/IEP meeting Secretary Shultz, in objecting to the Secretary of Agriculture's proposal that we barter butter to the Soviet Union in return for a strategic material (nickel) spent about ten minutes reviewing the outstanding issues with the Soviet Union and the Soviet strategy against us. It was an impressive performance, a version of which would make a powerful public address:

The Outstanding Issues

1. Regional Issues: Soviet actions in Poland, Afghanistan, Kampuchea, Central America, plus others.
2. Arms Control
3. Human Rights
4. Soviet Chemical and Biological Warfare violations
5. Economic Relations

The Soviet Strategy

1. To pick the Alliances apart:
 - Military buildups designed to coerce them plus arms control appeals to Europe's peoples
 - Just yesterday, a nuclear threat to Japan against the background of Soviet coercive naval operations around Japan.

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2. To pick us apart

- Activities designed to bolster the nuclear freeze/peace movements.
- Development of non-governmental constituencies in this country
 - business
 - agriculture
 - these activities are designed to drag down our defense budget.
 - And also to encourage domestic support in effect for Soviet aims in Central America and Europe.

Henry S. Rowen

cc: DDI